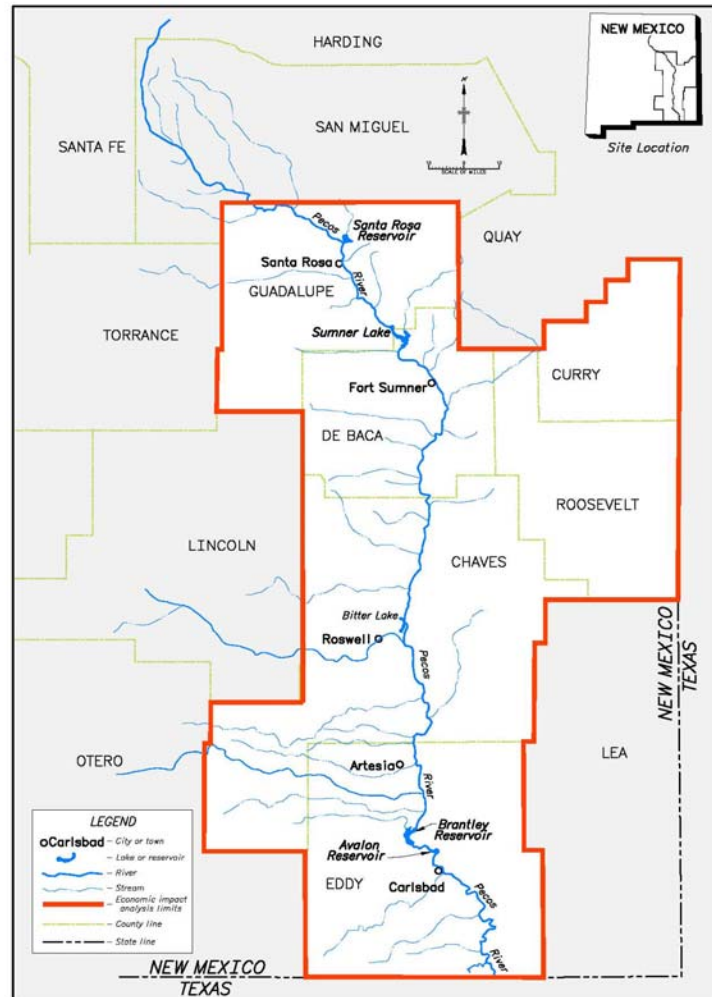


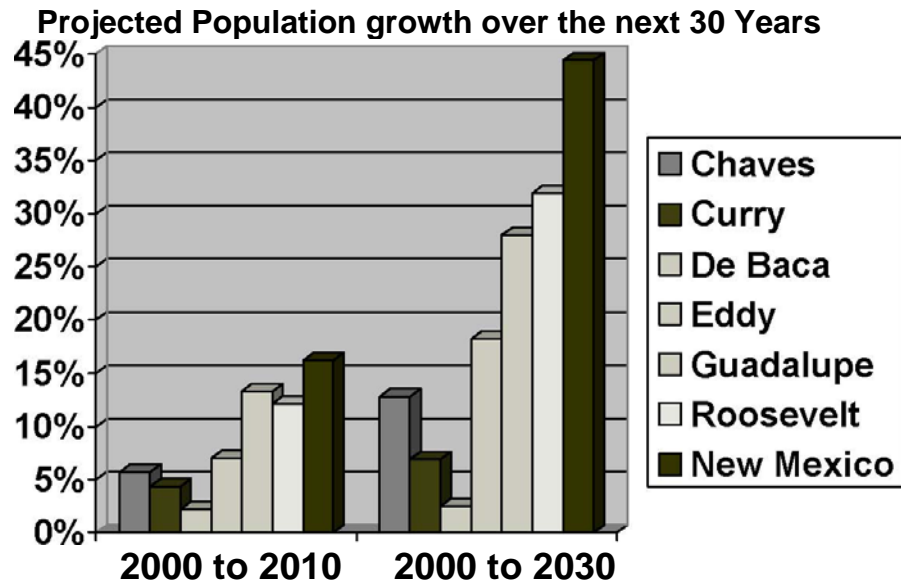
REGIONAL ECONOMIC ANALYSIS

Impact Area



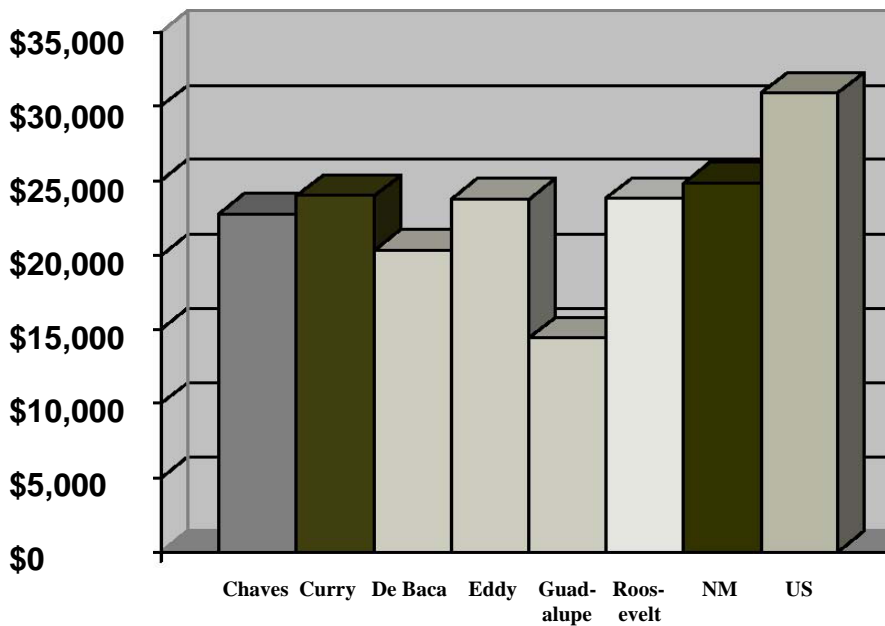
- The 2000 Census estimated a population of 183,000 people in the economic impact area.
- The population is projected to grow significantly over the next 30 years, but at a much slower pace than the state as a whole.
- Median household income is lower in the impact area than for all of New Mexico.
- Agriculture, government at all levels, services, and retail trade are most important earnings sectors in the impact region.
- Unemployment in the study region is relatively high compared to all of New Mexico.
- The six-county impact area accounted for about 20 percent of the

farms and farm acreage in New Mexico in 2002 and slightly more than 42 percent of the total irrigated cropland in New Mexico.



Source: Bureau of Business and Economic Research, University of New Mexico, 2004.

Median household income in impacts counties New Mexico and the U.S.



Source: U.S. Census Bureau, 2004.

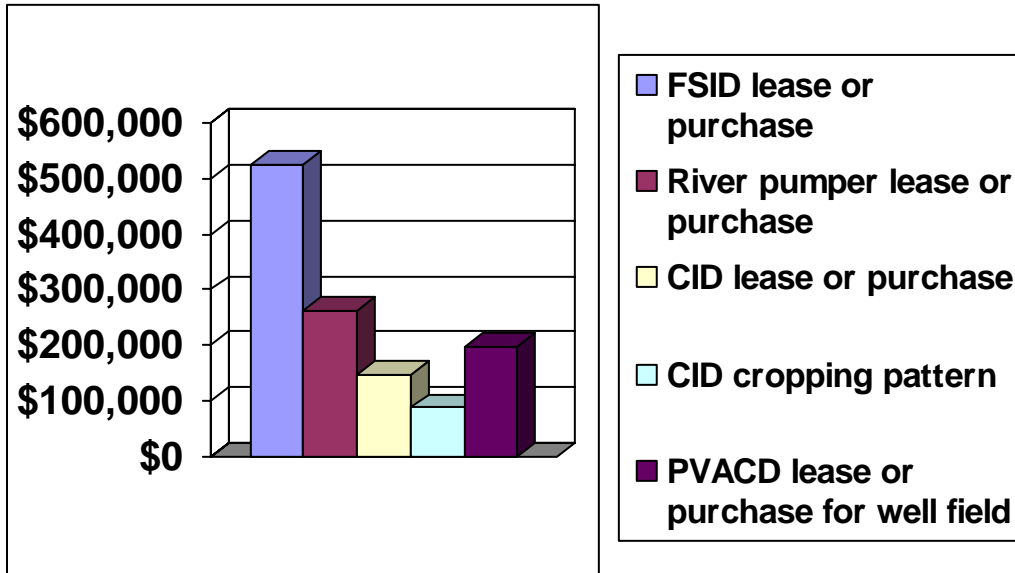
REGIONAL ECONOMIC IMPACTS OF ALTERNATIVES

- Regional economic impacts associated with changes in Carlsbad Project operations could occur as a result of land retirement or fallowing associated with the CPWA and AWA options of water right purchases/leases and changes in cropping patterns.
- Negative impacts could occur as a result of reduced net farm revenues, input expenditures, and fiscal impacts associated with changes in property tax revenues.
- Positive one-time impacts could occur as a result of land or lease payments made to farmers adversely affected by land use changes.
- Regional impacts are measured in terms of:
 - Change in value of regional output produced in the study area
 - Change in regional income
 - Change in regional employment
 - Change in farm acreage

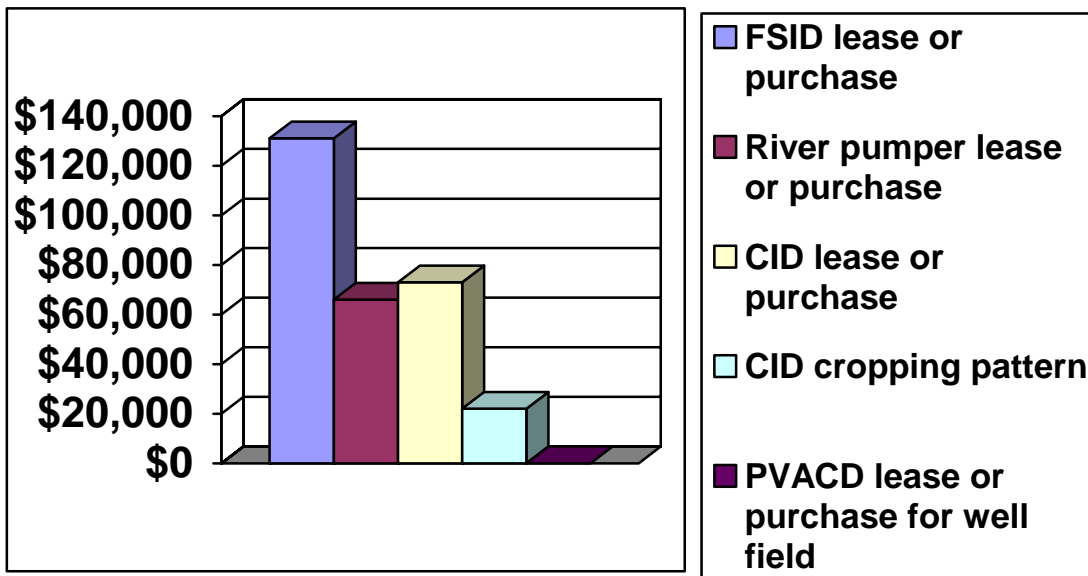
Equivalent Acreage Requirements Associated with Each Alternative

Alternative	FSID lease or purchase	River pumper lease or purchase	CID lease or purchase	CID cropping pattern	PVACD lease or purchase for well field
No Action	3,300	1,400	800	1,600	1,200
Taiban Constant	2,500	1,000	600	1,200	900
Taiban Variable (45 cfs)	2,500	1,000	600	1,200	900
Taiban Variable (50 cfs)	3,100	1,300	700	1,500	1,200
Taiban Variable (55 cfs)	3,500	1,500	800	1,700	1,300
Acme Constant	8,100	3,400	1,900	3,900	3,000
Acme Variable	6,200	2,600	1,400	3,000	2,300
Critical Habitat	2,500	1,000	600	1,200	900

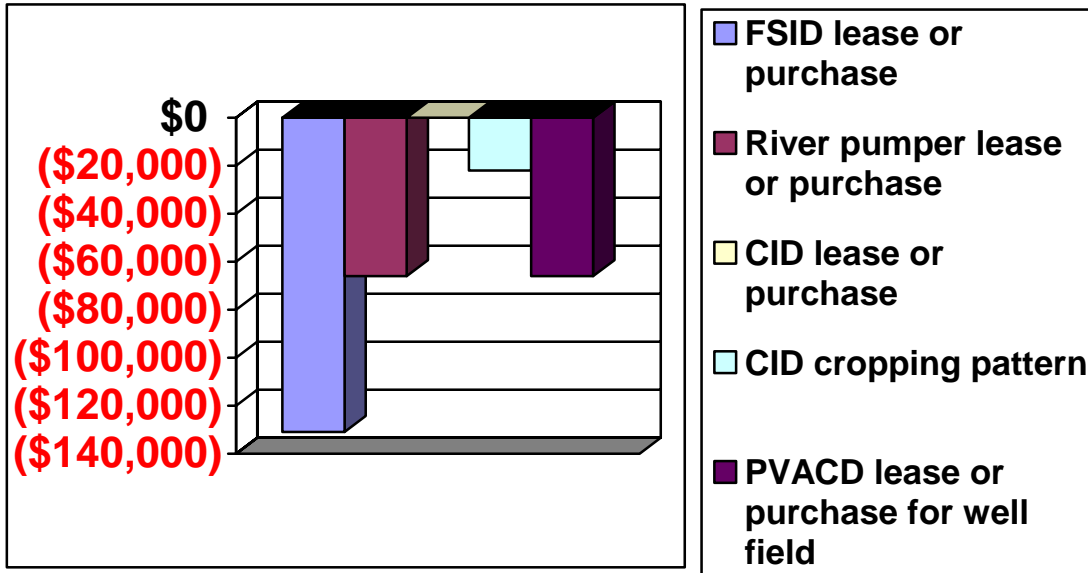
Change in the value of output compared to No Action
- Taiban Constant, Taiban Variable at 45 cfs, and
Critical Habitat Alternatives



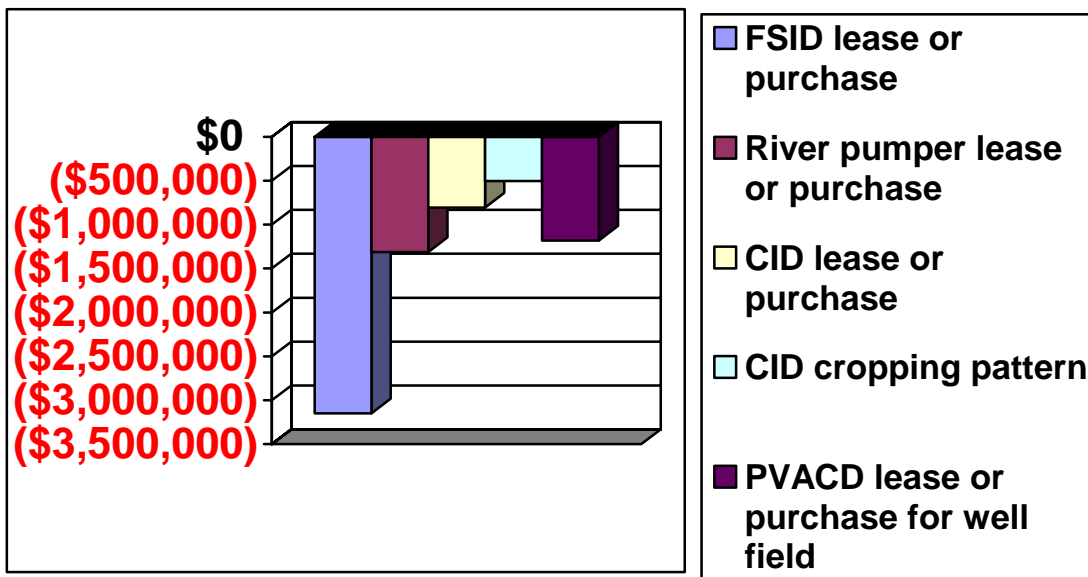
Change in the value of output compared to No
Action - Taiban Variable 50 cfs Alternative



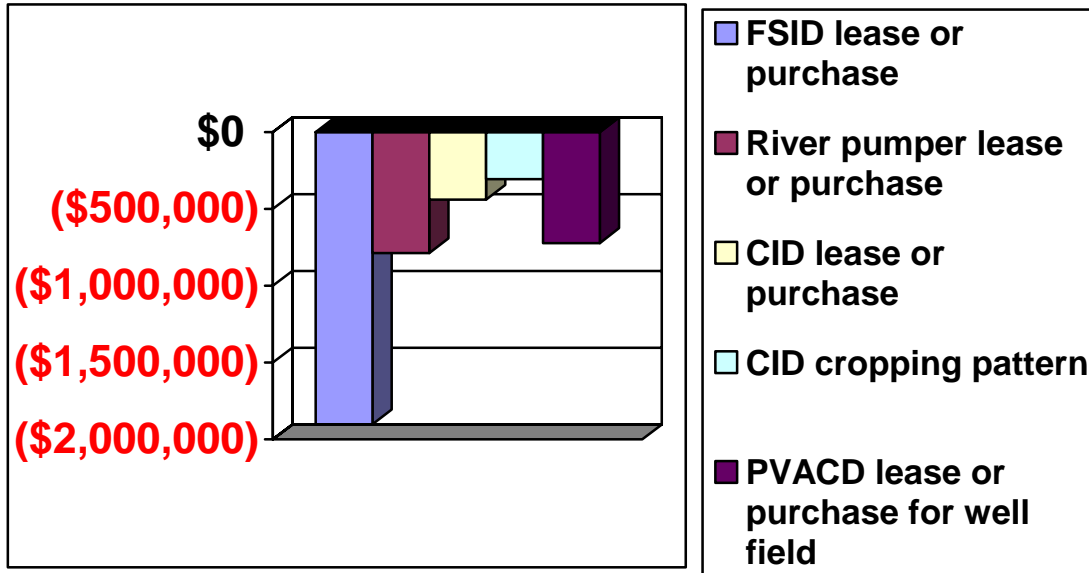
Change in the value of output Compared to No Action - Taiban Variable 55 cfs Alternative



Change in the value of output Compared to No Action - Acme Constant Alternative



Change in the value of output Compared to No Action - Acme Variable Alternative



- Employment and income impacts compared to no action are proportionately similar to the value of output impacts.

One Time Impacts Associated with Land Retirement or Lease Payments

- Some positive impacts are associated with each action alternative as a result of lump-sum land retirement or lease payments and compensation for lost farm revenues as a result of changes to cropping patterns.
- These are analyzed as one-time impacts, not as recurring impacts.

Estimated total one-time impacts from a lump sum land retirement payment, compared to No Action Alternative

Alternative	Output	Income	Employment
Taiban Constant	-\$246,000 to -\$985,000	-\$44,000 to -\$178,000	-2.2 to -8.6
Taiban Variable (45 cfs)	-\$246,000 to -\$985,000	-\$44,000 to -\$178,000	-2.2 to -8.6
Taiban Variable (50 cfs)	\$0 to -\$246,000	\$0 to -\$44,000	0 to -2.2
Taiban Variable (55 cfs)	\$0 to +\$246,000	\$0 to +\$44,000	0 to +2.2
Acme Constant	+\$1,354,000 to +\$5,909,000	+\$244,000 to +\$1,066,000	+11.9 to +51.8
Acme Variable	+\$739,000 to +\$3,570,000	+\$133,000 to +\$644,000	+6.5 to +31.3
Critical Habitat	-\$246,000 to -\$985,000	-\$44,000 to -\$178,000	-2.2 to -8.6

Environmental Justice

- **Census data show the percentage of Hispanic population in Guadalupe County is nearly double the percentage for the entire area.**
- **Income data indicate Guadalupe County has a much lower income than the rest of the study area.**
- **There could be environmental justice concerns if an alternative resulted in impacts that are concentrated on irrigated land or recreation in Guadalupe County.**